

Multiplex New Zealand Property Fund
Interim financial report
For the half year ended
31 December 2017

Multiplex New Zealand Property Fund

ARSN 110 281 055

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Multiplex New Zealand Property Fund

For the half year ended 31 December 2017

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Directory

Multiplex New Zealand Property Fund

For the half year ended 31 December 2017

Responsible Entity

Brookfield Capital Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9322 2000
Facsimile: +61 2 9322 2001

Directors of Brookfield Capital Management Limited

F. Allan McDonald
Barbara Ward
Shane Ross

Company Secretary of Brookfield Capital Management Limited

Men (Mandy) Chiang
Neil Olofsson (Resigned 9 February 2018)

Registered Office of Brookfield Capital Management Limited

Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9322 2000
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Custodian

Brookfield Funds Management Limited
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Telephone: +61 2 9322 2000
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Location of Share Registry

Boardroom (Victoria) Pty Limited
Level 7, 333 Collins Street
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Auditor

Deloitte Touche Tohmatsu
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Telephone: + 61 2 9322 7000
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Directors' Report

Multiplex New Zealand Property Fund

For the half year ended 31 December 2017

Introduction

The Directors of Brookfield Capital Management Limited (BCML) (ABN 32 094 936 866), the Responsible Entity of Multiplex New Zealand Property Fund (ARSN 110 281 055) (Fund), present their report together with the condensed consolidated interim financial statements of the Consolidated Entity, being the Fund and its subsidiaries, for the six months ended 31 December 2017 and the Independent Auditor's Review Report thereon.

Responsible Entity

The Responsible Entity of the Fund is Brookfield Capital Management Limited (BCML). The registered office and principal place of business of the Responsible Entity is Level 22, 135 King Street, Sydney NSW 2000.

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the financial period:

Name	Capacity
F. Allan McDonald	Non-Executive Independent Chairman
Barbara Ward	Non-Executive Independent Director
Shane Ross	Executive Director

Principal activities

The principal activity of the Consolidated Entity was the investment in properties in New Zealand. The Fund disposed of its remaining properties in June 2016. The Fund is continuing with its wind-up including to resolve the final commercial issues and undertakings on the sale of HP House.

Wind up of the Fund

Following the sale of the final three properties, the Responsible Entity continues with the wind-up of the Fund. The wind-up of the Fund is expected to be completed within 12 months.

Accordingly, the Fund is not considered a going concern for financial reporting purposes.

Distributions and returns of capital

During the current period, the Fund paid a return of capital of \$4,361,129 or 2 cents per unit (cpu) on 8 September 2017. In the prior year ended 30 June 2017, the Fund made a return of capital of \$39,250,161 or 18 cents per unit (cpu) on 6 July 2016.

Review of operations

The Consolidated Entity has recorded a net loss after tax of \$94,343 for the half year ended 31 December 2017 (2016: net profit after tax \$21,873).

Some of the significant events during the period are as follows:

- total revenue and other income of \$84,097 (2016: \$264,233); and
- net assets attributable to unitholders of \$4,671,459 (30 June 2017: \$9,327,982) and net assets per unit of \$0.02 (30 June 2017: \$0.04).

Directors' Report continued
Multiplex New Zealand Property Fund
For the half year ended 31 December 2017

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 31 December 2017.

Dated at Sydney this 27th day of February 2018

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.



Shane Ross
Director
Brookfield Capital Management Limited

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

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The Board of Directors
Brookfield Capital Management Limited
(as Responsible Entity for Multiplex New Zealand Property Fund)
Level 22, 135 King St
Sydney NSW 2000

27 February 2018

Dear Directors

Multiplex New Zealand Property Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Brookfield Capital Management Limited as the Responsible Entity of Multiplex New Zealand Property Fund.

As lead audit partner for the review of the financial statements of Multiplex New Zealand Property Fund for the half year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Andrew J Coleman
Partner
Chartered Accountants

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

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Multiplex New Zealand Property Fund

For the half year ended 31 December 2017

	Note	Consolidated Half year ended 31 December 2017 \$	Half year ended 31 December 2016 \$
Revenue and other income			
Interest income		46,772	67,844
Other income		37,325	196,389
Total revenue and other income		84,097	264,233
Expenses			
Property expenses		111,737	146,393
Management fees		–	6,955
Other expenses		71,277	73,187
Total expenses		183,014	226,535
(Loss)/profit before income tax		(98,917)	37,698
Income tax benefit/(expense)		4,574	(15,825)
Net (loss)/profit after income tax for the period		(94,343)	21,873
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Changes in foreign currency translation reserve		(201,051)	205,853
Other comprehensive (loss)/income for the period, net of income tax		(201,051)	205,853
Total comprehensive (loss)/income for the period		(295,394)	227,726
Net (loss)/profit attributable to ordinary unitholders		(94,343)	21,873
Total comprehensive (loss)/income attributable to ordinary unitholders		(295,394)	227,726

The Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statement of Financial Position

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Multiplex New Zealand Property Fund

As at 31 December 2017

	Note	Consolidated 31 December 2017 \$	30 June 2017 \$
Assets			
Current assets			
Cash and cash equivalents		4,629,014	7,782,489
Trade and other receivables		185,389	1,756,267
Total current assets		4,814,403	9,538,756
Total assets		4,814,403	9,538,756
Liabilities			
Current liabilities			
Trade and other payables		73,609	125,933
Current tax liability		5,601	5,862
Accrued wind up costs		63,734	78,979
Total current liabilities		142,944	210,744
Total liabilities		142,944	210,744
Net assets		4,671,459	9,327,982
Equity			
Units on issue	5	58,254,748	62,615,877
Reserves		(23,667,798)	(23,466,747)
Undistributed losses		(29,915,491)	(29,821,148)
Total equity		4,671,459	9,327,982

The Condensed Consolidated Interim Statement of Financial Position should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statement of Changes in Equity

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Multiplex New Zealand Property Fund

For the half year ended 31 December 2017

Consolidated Entity	Attributable to unitholders of the Fund			
	Ordinary units \$	Undistributed losses \$	Reserves \$	Total \$
Opening equity – 1 July 2017	62,615,877	(29,821,148)	(23,466,747)	9,327,982
Changes in foreign currency translation reserves	–	–	(201,051)	(201,051)
Other comprehensive loss for the period, net of income tax	–	–	(201,051)	(201,051)
Net loss for the period	–	(94,343)	–	(94,343)
Total comprehensive loss for the period	–	(94,343)	(201,051)	(295,394)
Transactions with unitholders in their capacity as unitholders:				
Return of capital	(4,361,129)	–	–	(4,361,129)
Total transactions with unitholders in their capacity as unitholders	(4,361,129)	–	–	(4,361,129)
Closing equity – 31 December 2017	58,254,748	(29,915,491)	(23,667,798)	4,671,459

Consolidated Entity	Attributable to unitholders of the Fund			
	Ordinary units \$	Undistributed profits/ (losses) \$	Reserves \$	Total \$
Opening equity – 1 July 2016	101,866,038	(29,986,183)	(23,619,899)	48,259,956
Changes in foreign currency translation reserves	–	–	205,853	205,853
Other comprehensive income for the period, net of income tax	–	–	205,853	205,853
Net profit for the period	–	21,873	–	21,873
Total comprehensive income for the period	–	21,873	205,853	227,726
Transactions with unitholders in their capacity as unitholders:				
Return of capital	(39,250,161)	–	–	(39,250,161)
Total transactions with unitholders in their capacity as unitholders	(39,250,161)	–	–	(39,250,161)
Closing equity – 31 December 2016	62,615,877	(29,964,310)	(23,414,046)	9,237,521

The Condensed Consolidated Interim Statement of Changes in Equity should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statement of Cash Flows

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Multiplex New Zealand Property Fund

For the half year ended 31 December 2017

	Consolidated Half year ended 31 December 2017 \$	Half year ended 31 December 2016 \$
Cash flows from operating activities		
Cash receipts in the course of operations	50,192	565,774
Cash payments in the course of operations	(209,070)	(919,412)
Interest received	51,736	63,566
Income tax	1,236	(102,842)
Net cash flows used in operating activities	(105,906)	(392,914)
Cash flows from investing activities		
Net proceeds from sale of investment properties	1,515,019	(768,159)
Net cash flows from/(used in) investing activities	1,515,019	(768,159)
Cash flows from financing activities		
Return of capital	(4,361,129)	(39,250,161)
Net cash flows used in financing activities	(4,361,129)	(39,250,161)
Net decrease in cash and cash equivalents	(2,952,016)	(40,411,234)
Impact of foreign exchange	(201,459)	188,298
Cash and cash equivalents at beginning of the period	7,782,489	47,929,735
Cash and cash equivalents at 31 December	4,629,014	7,706,799

The Condensed Consolidated Interim Statement of Cash Flows should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements continued

Multiplex New Zealand Property Fund

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For the half year ended 31 December 2017

1 Reporting entity

Multiplex New Zealand Property Fund (Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Capital Management Limited (BCML), the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The consolidated interim financial statements of the Fund as at and for the six months ended 31 December 2017 comprise the Fund and its subsidiaries (together referred to as the Consolidated Entity).

2 Significant accounting policies

Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and AASB134 *Interim Financial Reporting* (AASB134). Compliance with AASB134 ensures compliance with International Financial Reporting Standard IAS34 *Interim Financial Reporting*. The consolidated interim financial report does not include notes of the type normally included in annual financial statements and should be read in conjunction with the most recent annual financial statements of the Consolidated Entity as at and for the year ended 30 June 2017. For the purpose of preparing the consolidated financial statements, the Fund is a for profit entity.

Basis of preparation

The consolidated interim financial report is presented in Australian dollars, which is the Fund's presentation currency. The Fund's functional currency is Australian dollars. The Consolidated Entity includes operations that are located in New Zealand. The functional currency of the controlled entity that holds these operations is New Zealand dollars.

The accounting policies and methods of computation adopted in the preparation of the consolidated interim financial report are consistent with those adopted and disclosed in the consolidated financial report as at and for the year ended 30 June 2017.

Non-going concern

The Consolidated Entity intends to cease business within the next 12 months and realise its assets and extinguish its liabilities in the ordinary course of its business. As such the going concern basis has not been adopted in the preparation of these financial statements. Accordingly, the Consolidated Entity's assets have been recorded at their net realisable values and the liabilities have been recorded at their contractual settlement amounts.

In addition, all assets and liabilities have been classified as current since assets will be consumed or converted into cash and liabilities will be settled within 12 months.

3 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no critical estimate or judgements as at 31 December 2017.

4 Return of capital

During the current period, the Fund paid a return of capital of \$4,361,129 or 2 cents per unit on 8 September 2017. In the prior year ended 30 June 2017, the Fund made a return of capital of \$39,250,161 or 18 cents per unit on 6 July 2016.

Notes to the Condensed Consolidated Interim Financial Statements continued

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Multiplex New Zealand Property Fund

For the half year ended 31 December 2017

5 Units on issue

	Half year ended 31 December 2017 \$	Half year ended 31 December 2017 Units	Year ended 30 June 2017 \$	Year ended 30 June 2017 Units
Ordinary units				
Opening balance	62,615,877	218,056,451	101,866,038	218,056,451
Return of capital	(4,361,129)	–	(39,250,161)	–
Closing balance	58,254,748	218,056,451	62,615,877	218,056,451

6 Related parties

There have been no significant changes to the related party transactions as disclosed in the annual report for the year ended 30 June 2017.

7 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2017 (30 June 2016: nil).

8 Events subsequent to the reporting date

There are no matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.

Directors' Declaration

Multiplex New Zealand Property Fund

For the half year ended 31 December 2017

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In the opinion of the Directors of Brookfield Capital Management Limited, the Responsible Entity of Multiplex New Zealand Property Fund:

- a The condensed consolidated interim financial statements and notes, set out in pages 7 to 12, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2017 and of its performance for the six month period ended on that date; and
 - ii complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- b There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Brookfield Capital Management Limited.

Dated at Sydney this 27th day of February 2018



Shane Ross
Director
Brookfield Capital Management Limited

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

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Independent Auditor's Review Report to the Unitholders of Multiplex New Zealand Property Fund

We have reviewed the accompanying half-year financial report of Multiplex New Zealand Property Fund ("the Fund"), which comprises the condensed consolidated statement of financial position as at 31 December 2017, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Fund and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 13.

Directors' Responsibility for the Half-Year Financial Report

The directors of Brookfield Capital Management Limited, the Responsible Entity of the Fund, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards as they apply on a non-going concern basis and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Brookfield Capital Management Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Multiplex New Zealand Property Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* as it applies on a non-going concern basis and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU.

DELOITTE TOUCHE TOHMATSU

A. COLEMAN

Andrew J Coleman
Partner
Chartered Accountants
Sydney, 27 February 2018